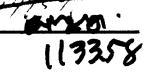
BY THE COMPTROLLER GENERAL



Report To The Congress

OF THE UNITED STATES

Flexible Management: A Must For Effective Armed Services Recruiting

Policy and resource allocation decisions in the Office of the Secretary of Defense and the service headquarters influence the success of recruiting programs in the armed services. This report analyzes management factors in the decisionmaking processes: The ability of recruiting managers to

- obtain resources which are directly related to goals established in the planning, programing, and budgeting system process;
- --counter changes in the prospects for meeting recruiting objectives by obtaining budgetary adjustments;
- -quickly determine changes in recruiting accomplishments and accession needs, identify problems, and analyze their impact; and
- --counteremerging problems by quickly selecting and implementing appropriate policy adjustments.

The last management factor is the ability of each service to effectively integrate, coordinate, and control recruiting decisionmaking processes of its Active, National Guard, and Reserve Forces.

GAO makes recommendations to improve the management of service recruiting programs.







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To the President of the Senate and the Speaker of the House of Representatives

This report is on a portion of our recent work relating to the management of recruiting in the armed services, in response to a request from the Chairman, Subcommittee on Manpower and Personnel, Senate Committee on Armed Services.

This report points out weaknesses in the recruiting decisionmaking processes in the Office of the Secretary of Defense and the headquarters staff of the Army, Navy, Marine Corps, and Air Force. These weaknesses affect recruiting policy development and implementation and need to be resolved to make recruiting in the armed services more effective and efficient.

At the Subcommittee's request, we did not obtain formal comments from the Department of Defense. Officials of the services and the Office of the Secretary of Defense were given an opportunity to review and comment on a draft of this report and provide informal comments. We considered their comments in preparing this report.

We are sending copies of this report to the Chairmen, Subcommittees on Defense, House and Senate Committees on Appropriations; the Director, Office of Management and Budget; the Secretaries of Defense and the Army, Navy, and Air Force; and other interested parties.

Comptroller General of the United States

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DIGEST

The effectiveness and integrity of recruiting programs in the armed services are influenced to a very large degree by policy and resource allocation decisions made within the Office of the Secretary of Defense (OSD) and the service headquarters. If recruiting managers and other involved officials have increased flexibility to appropriately adapt policy and resources to ever-changing conditions of market supply and demand—an environment which fosters recruiting effectiveness—recruiting goals can be accomplished and malpractice and other irregularities reduced. (See p. 1.)

This review, which was done in response to a request from the Chairman, Subcommittee on Manpower and Personnel, Senate Committee on Armed Services, critiques five management factors in decisionmaking processes involving OSD and service staff relationships. (See pp. 1 and 2.)

GAO found that perhaps the greatest stumbling block to achieving recruiting goals is the inflexibility inherent in the management of service recruiting programs. inflexibility is particularly evident in (1) the absence of readily available nonmonetary policy-change alternatives which can be used as management tools within existing funding levels and (2) the insistence that recruiting objectives be fixed well in advance, although properly matching recruiting resources and nonmonetary policies to these goals is generally not possible because of the uncertainties of congressional action and the recruiting marketplace. addition, the requirement for all services to obtain congressional committee approval

for spending additional recruiting funds through reprograming, no matter how small the amount, hinders management's ability to quickly adjust its recruiting program to developing problems. (See p. 34.)

To give recruiting managers the flexibility to relate resources and nonmonetary policies to goals on a continuing basis, GAO recommends that the Secretary of Defense

- --monitor the services' implementation of the recruiting objectives as stated in the Consolidated Guidance, related documents, and service program objective memorandums to determine that the guidances are being interpreted with reasonable flexibility. The services should be allowed to adjust their objectives within agreed-to ranges in these guidances in response to changing market conditions, as an alternative to adjusting resources and policies;
- --improve the recruiting data monitoring and analysis within OSD by obtaining more staff and more funds for such activities, including long-range analyses. The resources can be obtained by (1) transferring them from the services or other OSD sources or (2) getting congressional approval for increased staffing and funding;
- --direct each service to develop a formal plan concerning nonmonetary, standby enlistment initiatives which recruiting managers can use to quickly adjust to changes in the recruiting marketplace. At a minimum, the plan should include (1) a variety of management initiatives (such as changes to standards or goals) as well as enlistment incentives (such as unit-of-choice or accelerated grade); (2) the specific timetable describing under what

circumstances these initiatives and incentives would be put into effect; and (3) the communication and total force coordination process to effectively implement the plan. One of the plan's key aspects would be that the approval authority would be decentralized to the maximum extent possible;

- --direct the Army to improve recruiting data gathering and analysis in the National Guard and Reserve. Examples of ways to accomplish this include (1) the assignment of more Active Army professional staff and equipment, (2) the Active Army staff's assumption of a Reserve Force's responsibility, or (3) the transfer of Reserve Force's funds and personnel from their other operations; and
- --direct the Army and the Air Force to further integrate their Active, Reserve, and National Guard decisionmaking activities. The long-term goal should be to combine recruiting management of all three components under a single manager in each service. (See pp. 34 to 36.)

MATTERS FOR CONSIDERATION OF THE APPROPRIATIONS COMMITTEES

Now that executive branch officials and congressional leaders have gained experience with recruiting in an All-Volunteer Force environment, the Senate and House Appropriations Committees should consider whether to establish a threshold level for required approval of reprograming actions involving the recruiting budget. Such consideration could include both the overall recruiting budget as well as the specific line items within it, such as office leasing, vehicle leasing, and fuel charges. Consideration should also be given to determining whether the threshold level should be set similar to that for other budget categories.

Relaxation of reprograming authorities within the recruiting budget categories (except for advertising) could be done gradually, within an agreed-to percentage of the limits imposed on other non-special-interest Department of Defense reprograming actions. Reprograming requests concerning advertising funds should remain as congressional special-interest items because of the unique characteristics of the services' and OSD's advertising programs and the controversies concerning appropriate levels of expenditures. (See pp. 36 and 37.)

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		ABBREVIATIONS			
	OASD (MRA&L)	Office of the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics			
	OSD	Office of the Secretary of Defense			
	PPBS	Planning, programing, and budgeting system			

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CHAPTER 1

INTRODUCTION

The effectiveness and integrity of recruiting programs in the armed services (Active, National Guard, and Reserve) are influenced to a very large degree by policy and resource allocation decisions made within the Office of the Secretary of Defense (OSD) and the service headquarters.

Key elements of the decisionmaking process, including budgetary and policy alternatives and the capability for making adjustments, must function properly if recruiting programs are to succeed. If recruiting managers and other involved officials have the increased flexibility to appropriately adapt policy and resources to ever-changing conditions of market supply and demand—an environment which fosters recruiting effectiveness—recruiting goals can be accomplished and malpractice and other irregularities reduced.

Recruiting activities require a great deal of time and effort by Department of Defense personnel. As shown in the following table, since fiscal year 1974—the first full year under the All-Volunteer Force—recruiting costs have exceeded a half billion dollars each year.

Active and Reserve Forces Enlisted Recruiting and Advertising Costs (note a) (FY 1974-80)

Fiscal year	Current dollars			Constant dollars (FY 1980 budget dollars)		
	<u>Active</u>	Reserve	<u>Total</u>	Active	Reserve	<u>Total</u>
			(mi	llions)		
1974	\$438	N/A	N/A	\$698	N/A	N/A
1975	495	\$ 61	\$556	695	N/A	N/A
1976	448	68	516	59 0	N/A	N/A
1977	422	88	510	542	N/A	N/A
1978	477	115	592	569	\$125	\$694
1979	518	123	641	582	140	722
1980	607	150	757	632	155	787

<u>a</u>/The costs are difficult to compare because (1) the General Services Administration incurred lease costs on a nonreimbursable basis prior to fiscal year 1975 and (2) the totals include costs for programs other than enlisted recruited (e.g., officer, medical) when these costs cannot be separately identified.

OBJECTIVES, SCOPE, AND METHODOLOGY

We limited our review to the short-term recruiting decisionmaking processes of key offices in OSD and the services. We focused on decisions related to recruiting enlistees. No attempt has been made to evaluate the decisionmaking processes involving service staff and subordinate recruiting commands or operations, nor the decisionmaking processes involving OSD, the Office of Management and Budget, and the Congress. Our examination has been limited to certain functions within select key offices, namely:

- 1. The recruiting managers' ability to
 - --obtain resources which are directly related to the recruiting goals established in the planning, programing, and budgeting system (PPBS) process;
 - --counter changes in the prospects for meeting recruiting objectives by obtaining budgetary adjustments:
 - --quickly determine changes in their recruiting accomplishments and accession needs, quickly identify problems, and analyze their impact; and
 - --counter emerging recruiting problems by quickly selecting and implementing appropriate policy adjustments from a variety of available alternatives.
- The ability of each service to efficiently and effectively integrate, coordinate, and control the recruiting decisionmaking processes of its Active, National Guard, and Reserve Forces.

We analyzed these management factors because (1) a preliminary review determined that they are the key factors in achieving desired management capabilities, (2) there appeared to be areas of serious weaknesses within OSD and/or certain service components, (3) the problems appeared to be correctable, and (4) a constructive review offered potentials for identifying improvements for aiding overall attempts of OSD and the services to professionally manage their recruiting programs.

We conducted our review in the Washington, D.C., area and interviewed officials from:

OSD

- --Office of the Comptroller
- --Office of the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics (OASD (MRA&L))

Army

- --Office of the Secretary of the Army
- --Office of the Deputy Chief of Staff for Personnel
- --National Guard Bureau
- --Office of the Chief of Army Reserve

Navy

- --Office of the Secretary of the Navy
- --Office of the Chief of Naval Personnel

Marine Corps

- --Office of the Commandant
- --Office of the Assistant Commandant
- --Office of the Deputy Chief of Staff for Manpower

Air Force

- --Office of the Deputy Chief of Staff for Manpower and Personnel
- --National Guard Bureau
- --Office of the Chief of Air Force Reserve

CHAPTER 2

OSD: HOW RECRUITING POLICIES AND

RESOURCES ARE MANAGED

The key staff offices in OSD involved in recruiting policy and resource-level decisions are the Office of the Comptroller and various divisions within OASD (MRA&L).

OBTAINING RESOURCES DIRECTLY RELATED TO RECRUITING GOALS

In the PPBS process, OSD works closely with the service staffs in setting policies which affect overall recruiting objectives and funding various service programs designed to achieve them.

The PPBS process starts almost 2 years before the beginning of the fiscal year in question when OSD prepares the Secretary of Defense's Consolidated Guidance—a guideline for developing 5-year defense programs for each service and preparing their fiscal year budgets. The budget is prepared by each service approximately 1 year before the start of the fiscal year, reviewed by OSD, and finally included in the President's budget submitted to the Congress in January for the upcoming fiscal year.

Through each of these PPBS phases, OSD critiques the service positions, making sure that final policies, objectives, and budgets are consistent and that the services will recruit the quality and quantity of employees needed. It submits certain issues to the Secretary of Defense for review, with options and recommendations.

OSD's involvement in various PPBS actions has been quite extensive, reflecting its micromanagement (that is, management in great detail) of services' recruiting programs. For example, the Secretary of Defense's Consolidated Guidance, first offered for fiscal year 1981, mandated the specific numbers of high school graduates, women, and other groups for which recruiting resources would be provided. If services could increase the efficiency of their recruiting, they could exceed the limits.

The guidelines issued for fiscal year 1982 were less detailed. However, OASD (MRA&L) issued a supplement, "Logistics and Manpower Programs, FY 1982-1986," which contained the same degree of detail as the Consolidated Guidance issued

for fiscal year 1981. For example, the supplement included specific goals for attrition of male high-school and non-high-school graduates and directed the services to refrain from full-scale use of 2-year enlistment options. However, the supplement and guidelines issued for fiscal year 1982 were not mandatory, although the degree to which emphasis will be forced through other means has yet to be established. Thus, OSD's micromanagement of service recruiting policies was continued into fiscal year 1982 but with less forcefulness.

COUNTERING CHANGES THROUGH BUDGETARY ADJUSTMENTS

One of the key tools used by service recruiting programs to counter emerging problems (or to increase and decrease funds to balance capabilities with recruiting objectives) is the budgetary reprograming process whereby appropriated funds are shifted from one budget category to another. (They can also be reprogramed into recruiting from other accounts.)

Reprograming is necessary to respond to unforeseen requirements caused by changes in operating conditions in the 12 to 18 months it takes to finalize service budgets as well as changes during the program year.

The role of OSD in the reprograming process is primarily one of reviewer, not of initiator. All reprograming requests for review must be submitted to the Congress through OSD, with the OSD Comptroller as the control point. The Comptroller requests reviews of questionable reprograming actions from select staff offices. If OSD and the service staffs fail to agree on a reprograming request, OSD's staff offices prepare a summary of options and recommendations for review by the Secretary of Defense, who makes the final decision.

The Department of Defense has two types of reprograming actions: those requiring prior approval of congressional committees and those "below threshold levels" which can be handled internally by the services without approval of either the Congress or the Secretary of Defense. Threshold levels below which the services can handle their own reprograming are \$5 million for nonprocurement and \$2 million for new items within their appropriations. Special-interest items are excluded from these threshold levels. Although the Secretary has the legal authority to transfer funds between appropriations (section 734 of the Appropriations Act of 1980 authorizes the Secretary to move up to \$750 million between appropriations), the Secretary has a working relationship

with the Congress whereby he will not use this authority, without prior approval, for special-interest items. No formal list of special-interest items exists. Instead, these items evolve from areas which have been identified by the House and Senate Appropriations Committees in their reports on proposed Department of Defense budgets. Such actions are then subject to informal discussion and interpretation between the respective staffs for an agreed-to list of special-interest items for the following year.

In the mid-1970s, recruiting became a special-interest item, primarily because of congressional concern with the fast-growing recruiting budgets and overlapping expenditures in the area of advertising, which in the past had been a low-cost area. As a result of it being a special-interest item, no funds may be transferred from outside accounts to recruiting accounts without the approval of the House and Senate Appropriations Committees. Similar restrictions are also placed on certain transfers within recruiting accounts. For example, no funds may be added into recruiting advertising from another recruiting account without congressional approval.

The time it takes to obtain congressional approval to reprogram funds makes it hard for recruiting managers to counter emerging problems promptly. This time delay, however, varies according to the urgency of the request and whether the various levels of review find substantive problems with it. Once a service submits a request to OSD, it can be processed as quickly as a few days if there are no substantive problems. However, OSD sometimes decides to package a request with others from the services, causing additional delays because all parts may not be ready at the same time.

In summary, the time it takes reprograming requests to go through the various review levels cannot be predicted with any certainty. Nor can the initiators foresee, at the time of submission, how much of the request will be approved. The experiences of the services during fiscal years 1979 and 1980 verify this unpredictability and also the uncertainty of the final decisions.

DATA GATHERING AND ANALYSIS OF RECRUITING OPERATIONS

OSD is not involved in the day-to-day problem identification and analysis necessary for efficiently managing recruiting operations. Consequently, its needs for data and analysis are substantially less than those of the service recruiting staffs. OSD's prime role is to use data gathering

and analysis in reviewing service-initiated requests for policy changes, budgetary levels, or subsequent adjustments or in evaluating OSD-initiated policy decisions that could affect recruiting. Nevertheless, because of OSD's response role, as well as its desire to keep track of developments in each service component, substantial data gathering and analysis are needed and justified.

OSD's ability to obtain current data is hampered to a large degree by services' unwillingness to provide "official" data until it has been verified, a process that often takes several weeks. Thus, the data provided to OSD is often 4 to 8 weeks old. More up-to-date data, although not official, is generally obtained through informal sources.

OSD is somewhat hampered by a shortage of professional in-house analysts. As a consequence, the degree of analysis required by OSD managers during fiscal year 1979 and 1980 to properly respond to service-initiated requests and to track service problem areas was not possible. OSD's long-range analyses--primarily in market research, advertising management and effectiveness, and supply (demographics)--have been conducted with the use of market support. Direction of this program has been under a joint service market research committee composed of OSD and service staff personnel.

SELECTING AND IMPLEMENTING APPROPRIATE POLICY ADJUSTMENTS

In contrast to budgetary reprograming whereby all requests must be submitted to the Congress through OSD, the services can implement policy changes without changing budgetary expenditures and, for the most part, without OSD's approval. Such monetary changes include adjustments in (1) certain enlistment incentives, such as station-of-choice and unit-of-choice programs, (2) guaranteed training, and (3) certain minimum entry standards.

But OSD has expressed keen interest in these areas, and during fiscal year 1979 and the first 10 months of fiscal year 1980, it conducted informal negotiations with the services. OSD has also restricted service recruiting managers in their efforts to adjust nonmonetary policies. For example, the Consolidated Guidance for fiscal year 1981 and the OASD (MRA&L) supplement issued for fiscal years 1982-86, precluded the services from adopting a full-scale 2-year enlistment program. This restriction was based upon OSD's analysis of an ongoing test program.

In general, the role of CSD has been to critique and question services' policy changes in areas of specific interest. In other areas, CSD has reacted informally to proposed changes; and in yet other areas, changes have been implemented without OSD involvement.

INTEGRATING, COORDINATING, AND CONTROLLING RECRUITING DECISIONMAKING OF ALL COMPONENTS

During the early years of the All-Volunteer Force, the issues concerning Reserve Forces' recruiting and funding levels were given far less priority than problems of the Active Forces. Nevertheless, since about 1978, the Total Force management concept has attracted more attention. Indications of this include the assignment of additional personnel to Reserve Forces' data-tracking and issue analysis and the increasing number of issues which have been evaluated from the perspective of all Total Force components. The bulk of OSD resources, however, are still involved in resolving Active Forces' problems. In many cases, OSD has not considered problems from the perspective of the Total Force, nor have OSD staff offices fully coordinated on Reserve Forces' problems. Much of the inattention to Reserve Forces' problems within OSD has been prompted by Reserve Forces managers' inability to document and justify their budget and policy change proposals. One of the weakest positions has been presented by the Army Reserve Forces -- those elements of the Total Force which are experiencing the greatest manpower problems.

CONCLUSIONS

OSD's micromanagement of the services' recruiting budgets, as reflected in the Consolidated Guidance for fiscal year 1981 and in the OASD (MRA&L) supplement, was inappropriate due to the changing demands of the recruiting market and the length of time (18 to 24 months) it took to get recruiting programs underway. Because of the time delay and the uncertainty of congressional committee action, OSD has placed too high a priority on service reprograming as the solution to recruiting problems. Instead, OSD should encourage the services to coordinate with its staff in developing nonmonetary recruiting policies. For example, the services' recruiting policy staffs could meet with OSD's recruiting policy staff on a quarterly basis to evaluate the short-term and long-term nonmonetary recruiting policies that may be needed.

The lack of timely, official service data and a short-age of professional staff delay OSD in responding to services' recruiting problems and their proposed budgetary and nonmonetary policy changes. Although time is required for certain OSD monitoring and review actions of proposed service adjustments, no evidence exists that these delays have been unreasonable.

OSD's indirect monitoring has affected the number and availability of initiatives available to the services. Its emphasis on high-school-diploma graduates and other higher caliber recruits and its reluctance to authorize across-the-board, 2-year enlistments may have stifled some of the initiatives which could be considered by service managers. OSD believes its positions are based on adequate reasons. For example, OSD has evidence that the 2-year enlistment program would not produce long-term benefits and would actually hinder the services.

The staff offices within OSD have made progress during fiscal year 1979 and the first 10 months of fiscal year 1980 in coordinating issues from the perspective of the Total Force. Much more remains to be done, particularly in the area of communications between individual staff offices. Within the offices observed, however, far greater levels of communications and coordination on Total Force issues have taken place than in the past.

CHAPTER 3

THE ARMY TOTAL FORCE: HOW RECRUITING

POLICIES AND RESOURCES ARE MANAGED

The key staff offices involved in the management of recruiting policies and resource levels for the Army's Active Force are the Office of the Secretary of the Army, the Office of the Comptroller, and various divisions within the Office of the Deputy Chief of Staff for Personnel. For Army National Guard and Army Reserve matters, the National Guard Bureau and the Office of the Chief of Army Reserve also are involved.

OBTAINING RESOURCES DIRECTLY RELATED TO RECRUITING GOALS

One of the major problems which faced Army recruiting managers in fiscal year 1979 and the first 6 months of fiscal year 1980 was the need within an ever-changing market-place to make resource decisions well in advance of the actual recruiting fiscal year and to live with the results of the decisions made by managers in earlier years.

For fiscal years 1979 and 1980 operations, evidence to date supports the conclusions that the initial funding levels for the Active Force and Army National Guard programs were far below the levels necessary to achieve programed goals.

During fiscal year 1979, despite several budgetary reprograming actions, the Army failed to meet its recruiting goals by about 16,000, and the Army National Guard failed to meet its goal by 9,817. The recruiting goal of the Guard was based on its estimate of how many people could be recruited, and it was less than the number necessary to bring the Guard up to its desired peacetime manning level. Although the Army Reserve exceeded its programed recruiting goals, the number of accessions was not enough to bring the Reserve up to its desired peacetime levels. In fact, at the end of fiscal year 1979, its end-strength was 62,000 less than its desired peacetime level.

During the first 10 months of fiscal year 1980, improvements were made in all three recruiting programs. Whereas the Active Army exceeded its numerical goal, it has fallen far short of its qualitative goal for recruits with high school diplomas. The experience of the Active Army concerning a fiscal year 1981 objective for male high-school-diploma graduates illustrates this problem in greater detail.

Although fiscal year 1981 begins in October 1980, OSD reached preliminary decisions regarding recruiting quotas as early as late fall 1978 and issued them in the Consolidated Guidance in early 1979. These guidelines for developing the services' 5-year defense programs contained a fundable objective of 86,000 for Active Army high-school-diploma recruits.

The services prepare program objective memorandums in response to the Consolidated Guidance. The Army's memorandum for fiscal year 1981 (prepared in mid-1979) offered a reduced recruiting objective of 81,000. In followup discussions with OSD, the Army was able to convince OSD of the legitimacy of the reduction on the basis of the then-current recruiting achievements. At the same time, however, the Army's program objective memorandum stipulated the necessity for various resource-level changes as conditions for reaching the 81,000 goal.

The Army included most of its resource-level changes in its proposed budget for fiscal year 1981, prepared in the fall of 1979. (See app. I.) Other changes were to be effected through budgetary supplements or reprograming.

Since the Army's fiscal year 1981 budget was prepared, however, several changes have occurred which raise serious questions concerning the adequacy of its proposals. Foremost among these were the failure of the Army recruiting force to meet its fiscal year 1979 goals, the addition of this shortfall to the fiscal year 1980 goals, and the prospect that additional recruits will have to be accessed in fiscal year 1981. In addition, due to inflation and the attempt of the Congress and the Administration to cut costs and to balance the fiscal year 1981 budget, the Congress' reception to Army requests for budgetary adjustments has been less than Army managers expected.

COUNTERING CHANGES THROUGH BUDGETARY ADJUSTMENTS

In the spring of 1979, OSD submitted the first of several Army reprograming requests initiated during fiscal year 1979 and the first 10 months of fiscal year 1980. The request was one of several measures taken by the Army to counter the emerging problems of a recruiting shortfall, although it recognized that the added funds, if approved, would not affect recruiting operations until fiscal year 1980.

Shortly thereafter, the House Appropriations Committee approved less than half of the Army's request for \$16.9 million. The Army's request for increases of 570 people (endstrength) in its recruiting force and 400 (staff-years) in recruiter aids was also denied, although an increase of 300 temporary-duty former recruiters for 10 weeks was approved. Nine days later, the Senate Appropriations Committee concurred with the House decisions.

In fiscal year 1980, all three Army components (Active, Guard, and Reserve) submitted reprograming requests. By mid-June 1980, the two congressional committees completed action on one of the Army's requests, approving \$5 million for enlistment bonuses, but denying \$.5 million for special-duty assignment proficiency pay and \$14.6 million for other recruiting activities. The Army appealed the House Appropriations Committee action, but the Committee concluded its original decision was proper. However, the Committee pointed out that the Army understated the ceiling imposed by the Congress on recruiting and advertising by \$5.8 million and, therefore, the Army could use funds up to this amount for its recruiting programs. On June 16, 1980, the Army sent a letter to the Senate Appropriations Committee saying it was going to spend the funds. No formal reply was received from the Committee denying the Army's intention.

Another Army request, totaling \$11.3 million (from all three components) was submitted to the Congress on June 12, 1980. The House Appropriations Committee approved \$6.6 million of the Army's request for various recruiting and advertising costs. On July 31, 1980, the Senate Appropriations Committee agreed with the House Appropriations Committee's action.

For those requests on which the Congress acted, the time between initial preparation and final action varied. For example, 5 to 6 months elapsed for the Army's fiscal year 1979 requests; the time was somewhat shorter for the fiscal year 1980 request. To gain a complete understanding of the delays involved, however, we must include the additional weeks needed to prepare reprograming presentations. Thus, it appears that about 5 to 7 months were required in total to prepare and then finally receive action on the requests.

DATA GATHERING AND ANALYSIS OF RECRUITING OPERATIONS

A marked contrast exists between the Active Army, Guard and Reserve Forces in their abilities to monitor, project,

and evaluate their ongoing recruiting activities. But improvements have been made since the Active Army recently assumed Reserve recruiting responsibilities.

Within the Offices of the Deputy Chief of Staff for Personnel, the U.S. Army Recruiting Command, and the Secretary of the Army, sophisticated monitoring and projection systems are maintained for the Army's Active Force, staffed with adequate numbers of highly skilled professionals. Consequently, the Active Force is able to (1) identify changes in its accession needs (prompted by changes in reenlistments, attrition, and recruiting totals), (2) project the impact of the changes, and (3) analyze the impact on a variety of possible policy or funding-level changes. In addition, much of this is being extended to Reserve activities. In contrast, the Army National Guard lacks such capabilities. Inadequate staff in its Recruiting and Retention Branch precludes detailed analysis of recruiting operations.

Nonetheless, positive movement has occurred. For example, the Army is expanding its computer analysis capability to include Guard and Reserve matters, and the Deputy Chief of Staff for Personnel's office has developed an Active Army-Reserve accession plan for fiscal year 1980 operations. In addition, the Guard plans a small increase in its recruiting operations staff.

Despite these changes, the Reserve and, to a lesser degree, the Guard do not have the ability to monitor their accession needs on a current basis, and they have little ability to project the impact of emerging problems and proposed changes and to evaluate indepth analyses of changes in policy or funding levels. With up to 90-day delays in obtaining information on losses, the Reserve is the least able of the three to appropriately provide managers with the necessary data. Because of differing reporting systems within the States and an antiquated personnel information system, the Guard is not much better.

SELECTING AND IMPLEMENTING APPROPRIATE POLICY ADJUSTMENTS

The Active Army possesses far greater flexibility than the other two components in countering changes and meeting ongoing goals of the recruiting programs. But, even in the case of the Active Army, the nonmonetary options available for immediate implementation are limited, and the ability of the Army to respond to changing market conditions is considerably less than for the other services. Two major factors

contribute to this situation. First, a large proportion of the Army's accessions have to be in combat arms. Second, the Army requires more overseas duty than the other services.

What, then, are the policy options that the Army considered during fiscal year 1979 in its attempts to balance recruiting policies and resources with attainable objectives?

- 1. The Army considered allowing more recruits to enter the service in the more popular summer-fall periods. However, because Army officials had previously decided that recruit availability rather than the more efficient straight-line training would be the driving force, little additional room was available in training schools for students during the peak training months.
- 2. The Recruiting Command (a) assigned administrators, who were qualified recruiters, to production recruiting duties, (b) shifted recruiters within areas or between regions of the country, and (c) adjusted the length of recruiter training programs.
- 3. The Army's Deputy Chief of Staff for Personnel adjusted the eligibility criteria for bonuses, tour lengths, and unit-of-choice and station-of-choice enlistment options.
- 4. The Army Chief of Staff and the Secretary of the Army agreed that enlistment standards would be relaxed (to take more non-high-school graduates), that enlistment terms would be changed (to test the attractiveness of a 2-year enlistment program), and that the Army's end-strength would be reduced.

The number of policy adjustments the Guard and Reserve requested was far less, due to fewer available enlistment options and incentives, enlistment standards which were already well below those of the Active Army, and an endstrength which was below desired peacetime manning levels. In addition to asking the Congress for additional recruiting resources (for more production recruiters) and new bonus authorities, the Guard and Reserve implemented several new programs, including opportunities for recruits to (1) split their basic training between two summer periods, (2) delay their entry on active duty for up to 1 year while, at the same time, attending unit drills, and (3) receive new educational benefits for their service (in addition to benefits provided by certain States for their Guard personnel).

A direct relationship exists within the Army between the options which can be quickly implemented and its relative degree of impact. Those changes which can be quickly authorized (within 4 to 6 months) tend to be minor policy adjustments (such as shifting eligibility for bonus payments from one skill group to another) -- the least likely to counter emerging major recruiting problems. In contrast, those changes which take the longest (such as obtaining congressional approval to increase the size of the recruiting force) will most likely prevent major problems. Part of the delay factor for all policy changes is the time required (about 3 months) to insure that emerging problems are not aberrations. Much of the remaining time, however, is necessary to develop policy change alternatives and obtain within-house decisions-processes which could be completed in a shorter time. implementation in October 1979 of a monthly decision meeting of all key officials with the Vice Chief of Staff and a quarterly meeting with the Chief of Staff has facilitated these processes.

A key factor in countering recruiting problems is the ability to quickly decide among alternatives in major policy issues. Whereas the Army during fiscal year 1979 made several minor adjustments in its recruiting policies and funding levels, it could not agree on the steps necessary to counter the 16,000 recruiting shortfall, a shortfall that had been predicted as early as December 1978. The Deputy Chief of Staff for Personnel recommended that the market be opened to previously unacceptable candidates; the Office of the Secretary of the Army thought that the projected shortfall would be overcome by leadership initiative, additional resources, and certain minor policy changes. Because of these differences and the lack of a procedure for resolving them, major policy changes could not be acted on promptly. However, the minor policy adjustments which were implemented lessened the eventual shortfall.

INTEGRATING, COORDINATING, AND CONTROLLING RECRUITING DECISIONMAKING OF ALL COMPONENTS

The Active Army, the Guard, and the Reserve all operate their own recruiting resourcing offices, and the degree of cooperation and coordination among them is, at best, mixed. (See app. I.) Whereas the Active Army in fiscal year 1980 began to consider the impact of proposed changes on the Guard and Reserve through "recruiting environmental impact statements," the staff efforts expended for such statements have been very low. The level of coordination in other areas in fiscal year 1980 improved. For example, the Army's

second reprograming request this year was for recruiting resources for all three components, in contrast to earlier years when requests were prepared and submitted separately to OSD for the Active Army, Guard, and Reserve. Also, the Army's program objective memorandum for fiscal years 1982-86, developed in the spring, had one integrated section on recruiting and retention resources for the Total Force, rather than three separate sections, as previously done. In addition, the Army intends to prepare a coordinated Total Force accession plan for fiscal year 1981. However, there were several examples during fiscal year 1979 of policy changes or reprograming decisions in which the Guard and/or Reserve were not informed or given only a short time to respond. Also, the Guard and Reserve have been less than diligent in coordinating their activities with the Active Army.

CONCLUSIONS

The Army during fiscal year 1979 was unable to match its recruiting resources and nonmonetary policies with its goals, causing a shortfall of 16,000 people. During the first 10 months of fiscal year 1980, the Army has been able to meet its numerical goals. This was accomplished at the expense of accepting a greater number of non-high-school graduates who ranked in the lower mental categories. Thus, it appears that the funding of the Army recruiting programs for fiscal year 1980 also was inadequate.

The Army experienced difficulties during fiscal year 1979 in relating its requested resources for fiscal year 1981 to OSD-directed goals. Even with a reduction in the goals, the resources were known to be inadequate unless several stipulated policy changes were made. The absence of specific goals for the Guard and the Reserve made it almost impossible to accurately relate resources to goals, with the result that both components continued to be programed on a capability basis.

The Active Army in both fiscal years 1979 and 1980 had great difficulty in obtaining congressional approval of reprograming requests. Because of unpredictable time delays and uncertain congressional reactions, the Army can no longer count on reprograming as a quick-reaction management tool to counter emerging problems.

With sophisticated, well-staffed analytical capabilities in three locations, the Active Army is more than able to identify emerging problems and project the likely impact of changes on recruiting achievements, primarily for the

Active Army, and, to a lesser degree, for the Reserve. The Guard, in contrast, has neither the staff nor the capabilities to provide the desired analytical products. Delays in acquiring data are causing added problems for both the Guard and the Reserve.

The Active Army appears to have both the willingness and the capability to change its standards and offer new enlistment options. The Guard and the Reserve, however, have few remaining alternatives, although all three components can prompt some small gains by concentrating more on training in the more popular months. Other small gains may be possible by adjusting quotas for women and educational standards, and redirecting bonus moneys, although obtaining additional bonus funds would require time-consuming congressional approval.

Although the Active Army has consistently been willing to make adjustments, it has also continuously addressed its adjustments after, not before, the problems have worsened. The absence of policy changes which have not been implemented has hindered the Army in its ability to quickly implement decisions. It has also been hampered by the decision-making chain of command which, although improved recently, still requires too many decisions at too high a level. Because of a shortage of available alternatives in addition to the time-consuming reprograming actions, neither the Guard nor the Reserve has been able to demonstrate its ability to quickly implement major policy or resource allocation changes.

Integrating most decisionmaking functions of the Active Army and the Reserve (except those related to resources) is a positive movement toward integrating all three components into a fully coordinated and controlled Total Force management system. The relationship of the Active Army and Guard staffs in fiscal year 1979 left much to be desired. However, progress is being made in fiscal year 1980. With a commitment on the part of both offices, much more can still be done.

CHAPTER 4

THE NAVY TOTAL FORCE: HOW RECRUITING

POLICIES AND RESOURCES ARE MANAGED

The key staff offices involved in managing recruiting policies and resource levels for both the Active Navy and the Navy Reserve are the Office of the Secretary of the Navy in the Office of the Comptroller, and the Total Force Programing and Military Personnel/Training Divisions under the Chief of Naval Personnel. These two operating divisions are responsible for estimating the total number of military jobs to be filled and obtaining the right people to fill them.

OBTAINING RESOURCES DIRECTLY RELATED TO RECRUITING GOALS

In the mid-1970s, while Navy recruiting goals and enlistment criteria were often changed, adequate resources were obtained and recruiting goals were met. From fiscal years 1976 through 1979, however, the Active Navy experienced 3 successive years of recruiting shortfalls. (The Navy Reserve was able to meet its goals.)

Active Navy	<u>FY 1977</u>	FY 1978	FY 1979
Goal Number enlisted	116,314 111,557	94,735 89,009	93,390 88,345
Shortfall	4,757	5,726	5,045

During these 3 years, the Navy obtained some fiscal relief through budgetary reprograming. It also made a series of nonmonetary policy adjustments. Collectively, these actions lessened but did not eliminate the recruiting shortages. Without the remedial actions, however, the shortfalls would have been greater.

The Navy's record for the first 10 months of fiscal year 1980 is considerably better. Although it missed its enlisted objectives for the first 2 months of the fiscal year, it exceeded its enlisted goal for the following 8 months. Overall, for the first 10 months of fiscal year 1980, the Navy has met its objectives. What, then, caused this turnabout in Navy recruiting? The answer to this question can best be linked to a variety of changes made during fiscal year 1979 in both the funding levels and accompanying policies for the fiscal year 1980 program. This plan was

developed in the winter of 1979 and formally issued in August 1979 as the fiscal year 1980 accession plan (linked to the FY 1980 budget, submitted 7 months previously but later adjusted). Major changes were made in the male accession policy, the number of recruiters was increased by 531 (as a result of a June 1979 reprograming request), and bonus authorizations and levels were increased. Regarding the male accession policy, targets for high school graduates were lowered, the goal for technical school eligibles was raised, the parity policy which had required 75 percent of each racial/ethnic group to be school eligible was dropped, and two new bonus programs were added.

COUNTERING CHANGES THROUGH BUDGETARY ADJUSTMENTS

During fiscal year 1979 the Navy submitted one recruiting reprograming request for an increase in its force of 531 production recruiters (end-strength) and for \$1.9 million. Initially submitted to OSD in April 1979, the Navy request was submitted to the Congress in June. Shortly thereafter, the House Appropriations Committee approved the increase in recruiters but disapproved the \$1.9 million. The Senate Appropriations Committee approved both parts of the Navy's request in August 1979. Because approval of both Houses is needed, the House Committee's action prevailed, despite an appeal by the Secretary of Defense in July.

Another Navy request was prepared in fiscal year 1980 and submitted to the Congress in mid-April 1980. The Navy asked for authority to add 85 officer recruiters to its production recruiting force. In mid-July 1980 the House Appropriations Committee authorized substitution of up to 85 officer recruiters for enlisted recruiters.

DATA GATHERING AND ANALYSIS OF RECRUITING OPERATIONS

The Military Personnel/Training Division uses various reports to monitor gains, losses, and end-strength. Officials compare the actual end-strength to the planned levels and compare actual gains and losses by pay grade and in total to their accession and staffing plans. Mental groups, educational levels, minorities, and males and females are also tracked. Information is provided to the analysts about three times a week. This information is subject to error, however, because of the timelag in entering certain data into the Navy's reporting system.

According to the Navy, it has a problem in determining its on-board strength for a period of about 2 months, due primarily to its inability to obtain up-to-date information on losses from big ships and overseas sections. Because enlisted personnel are processed out of the Navy at many locations, the losses may not be recorded in the system for days and sometimes months after they occur. Officials request data around the 10th day of each month since most of the losses that occur in the preceding month would show up by then. In fiscal year 1984, the Navy is scheduled to obtain a new automated data processing system which will eliminate most of its problems.

Despite its weaknesses, the Military Personnel/Training Division has adequate analytical capabilities, is professionally staffed, and can project gains and losses and identify probable problem areas for both the Active Navy and the Navy Reserve.

SELECTING AND IMPLEMENTING APPROPRIATE POLICY ADJUSTMENTS

An illustration of the options open to Navy manpower planners in their attempts to reconcile recruiting goals with resources occurred in January through March 1979. During this 3-month period, the Military Personnel/Training Division, working with the Navy Recruiting Command, considered various policy and resource-level changes which could eliminate or lessen the expected fiscal year 1979 shortfall. These changes which were considered included changing the mix in the accession plan to include fewer males for the Active Navy, with more women enlistees and more reservists; phasing more accessions from the spring to the summer months; lowering the quality standards; accepting another endstrength reduction; and adding more recruiting resources.

Whereas the Army in recent years has attempted to make policy and fiscal changes on an almost continuing basis, the Navy has been less willing to request budget reprograming or supplemental actions or to make major changes in enlistment standards and other policies. Yet, by December 1978 the Navy had accepted the fact that major adjustments would be needed. Four months later, on April 2, 1979, it issued its revised enlistment accession plan.

The new plan decreased the fiscal year 1979 goals for total accessions, but increased the targets for women and the Navy Reserve's 3-year obligatory program. At the same

time, a reprograming request was initiated to gain more production recruiters, a move which Navy officials recognized would not provide relief for the recruiting force until fiscal year 1980.

The Navy also believed that difficulties in obtaining further adjustments in the loading schedules for training limited the flexibility for increasing the summer recruiting goals to benefit from seasonal variations in recruiting. In this regard, however, the Navy already had increased its new accessions in the summer months, and very little room was left for more concessions. Although the Navy could shift a limited number of added recruits to the summer months, the training loads of other schools beyond recruit training are maintained at a steady rate, and any major changes in scheduling for recruit imputs—in the Navy's view—would cause personnel imbalances within the fleet and other problems.

Navy recruiters were given some latitude, however, in meeting their schedules for 3- and 4-year enlistees.

The April 1979 revisions were the result of a major effort to adjust policy and resource levels in response to ongoing (and longstanding) recruiting problems. Despite this, some 3 to 4 months were required to develop and evaluate the alternatives, and the Navy at that time had no alreadydeveloped (on-the-shelf) policy options ready for implementation. Because the Navy had been experiencing a continuing shortfall, the April 1979 experience offered no insight as to the Navy's capability to quickly identify problem areas and project their impact on recruiting operations. In the Navy's view, however, if a future situation warranted, it now could quickly determine what adjustments to standards would be necessary to counter recruiting problems.

In fiscal year 1980 the Navy implemented several changes in enlisted recruiting goals and policies to optimize achievement of its qualitative and quantitative recruiting goals. Changes implemented by Navy's Recruiting Command include:

- --Significantly increasing prior service goals.
- --Allowing the Recruiting Command to "trade off" (without headquarters approval) between non-prior-service and prior-service goals to take best advantage of local recruiting conditions.

- --Shifting the mix of recruiting goals to increase accessions for 4, 5, and 6 years and decrease accessions for 3 years.
- --Shifting the male and female accession mix to take advantage of current economic conditions.

INTEGRATING, COORDINATING, AND CONTROLLING RECRUITING DECISIONMAKING OF ALL COMPONENTS

The Navy has effectively integrated its Reserve recruiting, rescurcing, and policy-changing procedures into those of the Active Navy. The resulting Total Force decisionmaking organization approached the problems of the fiscal year 1979 revisions and the need for an improved fiscal year 1980 accession plan from the point of view of all Navy components. We found no evidence of insufficient communications or coordination between the Active Navy and Navy Reserve. In contrast, the changes in budget levels and policies which were evaluated gave suitable consideration to the impacts on the Navy Reserve programs.

CONCLUSIONS

Because consistent shortfalls occurred for the Active Navy in each of 3 successive fiscal years, it is clear that the initial funding of the recruiting programs for these years was inadequate. In contrast, for the same 3 fiscal years (1977-79), the Navy Reserve was able to meet or exceed its goals, an indication that the funding process for these programs was satisfactory.

Because enlisted recruiting goals have been met for the first 10 months of fiscal year 1980 for both the Active Navy and the Navy Reserve, it appears that its nonmonetary policies and management of its resources have been appropriate. However, fiscal constraints have caused reductions in training and supervision.

If viewed in the context of countering those recruiting problems of fiscal year 1979, the Navy's reprograming request for 531 additional recruiters must be considered inappropriate. Not only did the Navy know that some extended period would be needed to obtain congressional approval, but it also must have recognized that the selection and training of additional recruiters would have taken several additional months. Thus, at best, the action can be justified on the basis of expected problems in Navy recruiting in fiscal year 1980 and beyond.

The Navy has the staff and ability to identify emerging recruiting problems and project the impact of change for both the Active Navy and the Reserve. The delays in getting information, however, are causing problems. Due to an up to 60-day delay in getting information losses, the Navy is hampered in its efforts to accurately determine accession needs on an ongoing basis. Because Reserve activities are integrated with those of the Active Navy, their problems are identical.

Although it can be reasoned that several enlistment and quality adjustments could have been considered during the late 1970s, the Navy has avoided making major adjustments in policy. Beginning in fiscal year 1979, however, the Navy started making policy changes to counter recruiting problems. This effort has increased in fiscal year 1980. Despite this improvement, the Navy has not demonstrated (and may not possess) the ability to take quick actions in response to emerging recruiting problems. The absence of already developed options supports this conclusion.

The integration of Active Navy and Reserve decisionmaking within the same divisions of the Office of the Chief of Naval Personnel provides a good framework for quick decisionmaking. The Navy has demonstrated that integrating these decisionmaking processes can be efficiently and effectively managed.

CHAPTER 5

THE MARINE CORPS TOTAL FORCE: HOW

RECRUITING POLICIES AND RESOURCES ARE MANAGED

The key staff offices involved in managing recruiting policies and resource levels for the U.S. Marine Corps are all within its headquarters. They include the Offices of the Commandant, Assistant Commandant, and various divisions within the Office of Deputy Chief of Staff for Manpower.

OBTAINING RESOURCES DIRECTLY RELATED TO RECRUITING GOALS

The Marine Corps is unique among the services in that it requested authority for a phased reduction of 10,000 in its overall manpower strength to provide more funds for operations and maintenance of equipment. To date, and pending further review, the Congress has authorized a reduction of 4,000 spaces. The April 1979 decision to phasedown the size of the corps was affected by recruiting difficulties. Although the fiscal year was underway, part of the total reduction was taken in fiscal year 1979. Despite this reduction in the recruiting goals of 2,500—or about 6 percent of the yearly totals—the corps still was unable to meet its fiscal year 1979 targets for its Active Force, falling short by 3 percent. A similar shortfall occurred in Marine Reserve recruiting.

For the first 10 months of fiscal year 1980, the Active Marine Corps recruited sufficient numbers to meet its endstrength goal, although the actual recruiting goals had been reduced because of an unexpectedly high number of reenlistments and a lower rate of attrition. At the same time, the Marine Reserve experienced a slight decline in strength but still staffed its units at 98 percent of the desired peacetime level.

What, then, prompted the improved recruiting for the Active Marine Corps? No specific policy change or budget reprograming gains can be cited. It is likely, therefore, that the slight improvement in overall recruiting results can be attributed to the worsening economic conditions and to the continuing efforts of the Marine Corps leadership to improve its recruiting operations.

COUNTERING CHANGES THROUGH BUDGETARY ADJUSTMENTS

The Marine Corps on only one occasion during fiscal years 1979 and 1980 requested recruiting reprograming authority from the Congress. The action was prompted by a congressional decision in December 1979 to authorize the Marine Corps to reassign to recruiting duties up to 350 additional personnel above the level in the fiscal year 1980 budget request.

The corps' request for \$4.7 million was submitted to the Congress in early February 1980 and was approved 3 months later.

DATA GATHERING AND ANALYSIS OF RECRUITING OPERATIONS

The Manpower Office compares the actual end-strength to the planned end-strength about 18 to 20 times a month to determine how well the corps is doing in relation to its manpower plan. Monthly, this office reviews all indicators (end-strength, losses, and gains) and prepares materials for the Deputy Chief of Staff for Manpower to use in briefing the Commandant. These briefings serve as a vehicle for discussing and resolving issues such as accession goals, reenlistment rates, and quality of accessions. Other groups within corps headquarters are also making detailed manpower and recruiting analyses, including studies of mental groups, accessions, effectiveness, and losses.

The Marine Corps has been having problems in obtaining current data. Although its delay time is less than that for the Navy, the overall range of delayed data is far greater. For example, in early 1979, the average time to place an accession on the master file was about 10 days, and the average time to remove a loss was about 19 days. This situation is improving, however, and more improvements are expected. For example, the corps has developed a computer model which projects force profile, including accessions. The model is being updated and will furnish trend data in far greater detail than currently available. The new model should be operational in about 1 year.

SELECTING AND IMPLEMENTING APPROPRIATE POLICY ADJUSTMENTS

The corps believes that little can be done within a short time frame to counter ongoing recruiting problems. In

its view, it would need 6 months to respond to a major recruiting shortfall involving resources and funding decisions; somewhat shorter, if the policy-change decisions did not involve funds.

Although the key staff offices acknowledge that they have some limited tools to counter recruiting problems, their actions have been restricted to minor changes, due primarily to the decision not to lower their high-school-graduate goals. Indeed, due to the quality problems experienced by the corps in the mid-1970s, the Commandant decided that the corps would accept end-strength shortfalls, if necessary, to meet the high-school-graduate goal of 75 percent.

Among the minor changes made by the Marine Corps in fiscal year 1979 were:

- --Tightening of minimum entry standards by excluding females with general education diplomas.
- --An expansion from 5 to 19 of the number of enlistment options which an individual could select and still participate in the 365-day delayed entry program.
- --An expansion of the types of waivers of enlistment criteria for which a non-high-school graduate is eligible.

The Commandant's decisions, together with the reluctance of the corps' staff to adjust nonmonetary policies, have effectively limited the corps' ability to respond to changes in the recruiting totals. For example, when an accession shortfall of 2,740 male enlistees was being reported in April 1979, the corps rejected the following options:

- --The movement of yet additional trainees to the more popular summer training months. This option was rejected mainly because 46 percent of the accessions already enter the corps during the 4 summer months, and the corps doubted the training bases' ability to handle additional personnel.
- --The addition of certain enlistment options. This change was rejected because the corps was reluctant to pay the price of the inflexibility which would have resulted from adding further school guarantees, choice of duty locations, buddy programs, or other enlistment options. The corps also rejected the addition of more 3-year enlistments, reasoning that the

shorter enlistment terms (most enlistments are for 4 years) would negatively affect the recruit training resources, unit staffing, and unit effectiveness in later years.

--Raising the amount paid as bonuses to selected combat arms and technical skills enlistees up to the limits authorized by the Congress. Due to funding limitations and the time delays which would have been encountered in obtaining OSD approval, this option also was rejected.

On the basis of the actions taken to counter the fiscal year 1979 shortfall, it is clear that the corps did not have policy changes ready for implementation, nor was it willing to make these changes. In the future, however, the concentration of decisionmaking authorities within select offices of headquarters and the ongoing involvement of the Commandant and the Assistant Commandant in recruiting policy and rescurce-level decisions would provide the framework for quick staff work and decisionmaking.

INTEGRATING, COORDINATING, AND CONTROLLING RECRUITING DECISIONMAKING OF ALL COMPONENTS

The corps has successfully integrated its Reserve policy and funding decisions with those of its Active Force. The Deputy Chief of Staff for Manpower is responsible for total recruiting resources, Active and Reserve. All policy change proposals which affect the Reserve are coordinated with the Deputy Chief of Staff for Reserve Affairs before review and approval. Further, as illustrated by its efforts to obtain congressional approval for additional recruiters, the corps' headquarters staff has considered the probable impact of recommended changes on the Reserve.

CONCLUSIONS

Because the corps, during fiscal year 1979 and for the first 10 months of fiscal year 1980, has virtually met its recruiting objectives (except for a small shortfall during FY 1979), it appears that its funding levels and nonmonetary policies have been appropriate for its mission. If the corps had not reduced its recruiting goals during fiscal year 1979, we doubt that its resources would have been adequate.

The corps' reprograming action was prompted by congressional concern about recruiting problems in fiscal year 1979.

By the time the formal request was submitted and approved, however, the recruiting problems had lessened. Thus, the addition of the 350 recruiters can only be judged as a hedge against problems which may occur in late fiscal year 1980 and early fiscal year 1981 when the recruiters join the force. Had the same degree of attention been paid to short-term solutions, added bonus moneys or other items which could have been quickly implemented would have been considered.

Although the corps cannot get data on a day-to-day basis, its relative size and absence of critical staffing problems make this weakness less critical. Because its Reserve recruiting activities are integrated with those of the Active Force, their problems are similar. With the development of the new forecasting model, however, the corps should be able to obtain and analyze data efficiently for the Active Force.

The options open to the corps to resolve emerging recruiting problems are limited because it holds firm on its enlistment standards and has problems in obtaining reprogramed funds quickly. Furthermore, it is slow to adopt enlistment options which could be used as ongoing management tools.

As with the Navy, the corps' integration of the Reserve with its Active Force has fostered an ability for quick decision-making. It has demonstrated that integrating decision-making for both Active and Reserve recruiting matters can be efficiently and effectively managed within the same headquarters staff offices. The placement of the operational recruiting responsibility within the Office of the Deputy Chief of Staff for Manpower has supported this process. However, as with the Army and Navy, the corps has tended to develop policy and resource allocation options in reaction to, rather than anticipation of, crises.

CHAPTER 6

THE AIR FORCE TOTAL FORCE: HOW

RECRUITING POLICIES AND RESOURCES ARE MANAGED

The major responsibilities for developing, monitoring, and evaluating recruiting policies and resource levels for the Active Air Force lie within the Office of the Deputy Chief of Staff for Manpower and Personnel. The Offices of the Secretary of the Air Force and the Comptroller are also involved. The National Guard Bureau and the Office of the Chief of Air Force Reserve are responsible for Air National Guard and Air Reserve matters.

OBTAINING RESOURCES DIRECTLY RELATED TO RECRUITING GOALS

Because the Air Force's Total Force (Active, Guard, and Reserve) during fiscal year 1979 and for the first 10 months of fiscal year 1980 has succeeded for the most part in achieving yearly accession objectives, it has not had the kinds of problems the Army has had in adjusting initial resources to objectives.

COUNTERING CHANGES THROUGH BUDGETARY ADJUSTMENTS

During fiscal year 1979 and the first 10 months of fiscal year 1980, the Air Force submitted two small reprograming requests to the Congress. Although the Air Force was experiencing a mild recruiting problem, its May 1979 request for \$1.5 million was disapproved by the House Appropriations Committee the following month and the Senate Appropriations Committee in August. Its second request—\$1.1 million for an increase in operating and maintenance costs for recruiting vehicles and \$.3 million for applicant travel to the Armed Forces Entrance and Examining Stations—was submitted to the Congress in May 1980. In July 1980, the House and Senate Appropriations Committees approved the Air Force request.

DATA GATHERING AND ANALYSIS OF RECRUITING OPERATIONS

The ability of the Active Air Force, Guard, and Reserve to monitor, project, and evaluate their ongoing recruiting activities is almost equal. All three have management information systems for monitoring accession needs daily for the Active Air Force and twice a week for the Guard and Reserve.

Information on staffing critical skills is also current, with the Active Force, for example, able to retrieve this data instantaneously. Guard and Reserve officials say they do not have enough skilled professionals to fully analyze data, project the impact of proposed policy and program changes, or to develop new options for future needs. But they have not been hindered to any great extent by these deficiencies. Guard officials do recognize that if they had more staff to conduct analyses, they could develop more options, and in greater detail, to help resolve recruiting problems more quickly.

SELECTING AND IMPLEMENTING APPROPRIATE POLICY ADJUSTMENTS

In October 1978, the Active Air Force realized it would have a recruiting shortfall in December of that year, with a projected fiscal year 1979 shortfall of up to 8,500. As a result, it began developing and implementing initiatives (not requiring congressional or OSD approval) to reduce the shortfall to 2,500. These actions were so successful that the shortfall was only 1,384 at the end of the fiscal year.

The first special enlistment initiative, offered on December 1, 1978, was the "base of choice program" to attract applicants who might prefer to be assigned close to home or in a specific location. In the beginning of 1979, the Air Force offered three more enlistment options, each of which awarded higher entry-pay grades for recruits with certain qualifications. The Active Air Force was able to implement these three standby initiatives quickly with the money saved by rephasing about 4,100 accessions from the second to the fourth quarter of the fiscal year. The two additional enlistment incentives were implemented on March 1 and May 1, 1979.

To compensate for the Air Force training base's low period in the spring, created by the rephasing of accessions, the Air Training Command readjusted the technical training requirements to allow more technical training in the spring. (See app. II.)

If at some later date the Air Force is unable to get adequate enlistments, Air Force officials stated they would most likely look for other alternatives instead of lowering their enlistment standards. Their reasons for this position included the higher attrition costs and discipline rates that could be expected from lower quality enlistees, as well

as concern about the ability of such enlistees to perform. In the past, the Air Force has experimented with lowering the minimum scores needed for entry into certain specific occupational skills. Because of increased attrition levels, however, it reverted to its original minimum requirements.

The Air Force, and particularly the Active Force, has been able to respond quickly and effectively to recruiting problems. Several factors contribute to this:

- --A management information system which identifies emerging problems in the least possible time.
- -- The availability of standby incentives awaiting implementation when necessary.
- --A management structure in the Air Force staff which fosters quick decisionmaking.
- --A management-communications system which helps to implement new policies quickly.

For example, when a December 1978 shortfall was first projected in October 1978, four standby incentives were offered to recruits that December, January, and February. Two more were added in March and May. Implementing the policy and programing changes was also virtually immediate because telegrams with implementing instructions were sent through the computer system to all squadron and group levels, each of which has its own terminal printout.

The Air Reserve and Guard can respond quickly to minor recruiting problems. But both components would be hampered in countering major recruiting shortfalls because congressional approval is required for all recruiting reprograming, and the number of nonmonetary actions that can be implemented is limited. Because of continuing recruiting successes, however, neither component has faced major difficulties.

INTEGRATING, COORDINATING, AND CONTROLLING RECRUITING DECISIONMAKING OF ALL COMPONENTS

The Air Force has supported the Total Force concept, although it has been unwilling to fully integrate certain staff functions of its components. Nonetheless, the Guard, Reserve, and Active Force have consulted one another in advance on proposed policy changes, reprograming, and supplemental budget requests to determine the potential impact of the proposal on the other components.

The Air Force also has a Total Force procurement committee with representatives from all three components. The committee meets semiannually to review the problems and status of recruiting and reenlistment policies.

CONCLUSIONS

For both fiscal year 1979 and the first 10 months of fiscal year 1980, the Air Force Total Force could meet its programed goals with allocated recruiting resources. Although a slight shortfall occurred in the Active Air Force in fiscal year 1979, it appears that this shortfall could have been countered by policy adjustments not requiring additional funding.

Although the majority of the expected Air Force recruiting shortfall for fiscal year 1979 was eliminated through a variety of nonmonetary policy changes, a small deficit remained. This deficit probably could have been countered by the availability of additional enlistment incentive funds, provided that such funds would have been available shortly after the reprograming request was submitted and that the funds would have been used for immediately available options.

All three components are capable of adequately monitoring data daily for accessions, reenlistments, losses, and endstrength adjustments. The Air Force, as a whole, can analyze data and project the likely impact of changes in policies or resource allocations on recruiting achievements; the Guard and Reserve components are somewhat less capable than the Active Air Force due to their smaller analytical staffs.

Air Force recruiting managers are flexible when it comes to making policy changes to meet accession requirements. Yet, they have been unwilling to consider lowering enlistment standards which are higher than other services.

Policy options for the Air Force are frequently already developed before they are needed, as well as fully coordinated--formally and informally--among the three components. Further, the Air Force's decisionmaking is not bogged down by numerous levels of review. Officials can make quick decisions which production recruiters implement almost immediately in the field.

Although cooperation and communications among the offices are good, the Air Force's three separate recruiting policy and resourcing offices are counterproductive to a

Total Force management system. In short, further integration of the Active, Guard, and Air Reserve decisionmaking functions may be warranted.

CHAPTER 7

RECOMMENDATIONS

Perhaps the greatest stumbling block to the continuing achievement of recruiting goals is the inflexibility inherent in the management of service recruiting programs. inflexibility is particularly evident in (1) the absence of readily available nonmonetary policy-change alternatives which can be used as management tools within existing funding levels and (2) the insistence that recruiting objectives be fixed well in advance, although properly matching recruiting resources and nonmonetary policies to these goals is generally not possible because of the uncertainties of congressional action and the recruiting marketplace. In addition, the requirement for all services to obtain congressional committee approval for spending additional recruiting funds through reprograming, no matter how small the amount, hinders management's ability to quickly adjust its recruiting program to developing problems.

RECOMMENDATIONS TO THE SECRETARY OF DEFENSE

To give recruiting managers the flexibility to relate resources and nonmonetary policies to goals on a continuing basis, we recommend that the Secretary of Defense:

- --Monitor the services' implementation of the recruiting objectives as stated in the Consolidated Guidance,
 related documents, and service program objective memorandums to determine that the guidances are being interpreted with reasonable flexibility. The services
 should be allowed to adjust their objectives within
 agreed-to ranges in these program objective memorandums in response to changing market conditions, as an
 alternative to adjusting resources and policies.
- --Improve the recruiting data monitoring and analysis within OSD by obtaining more staff and more funds for such activities, including long-range analyses. The resources can be obtained by (1) transferring them from the services to other OSD sources or (2) getting congressional approval for increased staffing and funding.
- --Direct each service to develop a formal plan concerning nonmonetary, standby enlistment initiatives which recruiting managers can use to quickly adjust to changes in the recruiting marketplace. At a minimum,

the plan should include (1) a variety of management initiatives (such as changes to standards or goals) as well as enlistment incentives (such as unit-of-choice or accelerated grade), (2) the specific time-table describing under what circumstances these initiatives and incentives would be put into effect, and (3) the communication and total force coordination process to effectively implement the plan. One of the plan's key aspects would be that the approval authority would be decentralized to the maximum extent possible.

- --Direct the Army to improve recruiting data gathering and analysis in the National Guard and Reserve. Examples of ways to accomplish this include (1) the assignment of more Active Army professional staff and equipment, (2) the Active Army staff's assumption of a Reserve Force's responsibility, or (3) the transfer of Reserve Force's funds and personnel from their other operations.
- --Direct the Army and the Air Force to further integrate their Active, Reserve, and National Guard decisionmaking activities. The long-term goal should be to combine recruiting management of all three components under a single manager in each service.

MATTERS FOR CONSIDERATION OF THE APPROPRIATIONS COMMITTEES

Now that executive branch officials and congressional leaders have gained experience with recruiting in an All-Volunteer Force environment, the Senate and House Appropriations Committees should consider whether to establish a threshold level for required approval of reprograming actions involving the recruiting budget. Such consideration could include both the overall recruiting budget as well as the specific line items within it, such as office leasing, vehicle leasing, and fuel charges. Consideration should also be given to determining whether the threshold level should be set similar to that for other budget categories.

Relaxation of reprograming authorities within the recruiting budget categories (except for advertising) could be phased down, within an agreed-to percentage of the limits imposed on other non-special-interest Department of Defense reprograming actions. Reprograming requests concerning advertising funds should remain as congressional special-interest

items because of the unique characteristics of the services' and OSD's advertising programs and the controversies concerning appropriate levels of expenditures.

ARMY NATIONAL GUARD CASE STUDY:

DECISIONMAKING PROCESS FOR RECRUITING MANAGEMENT

BACKGROUND

In mid-1979 OSD reduced by more than two-thirds--from 495 to 160--a request by the Army National Guard to program a significant increase in production recruiters in the President's budget for fiscal year 1981. Although the request had been endorsed by the Department of the Army in the April 18, 1979, program objective memorandum for fiscal years 1981-85 (a document consisting of the Army's proposals for allocating resources according to program guidance), OSD rejected the Guard's justification for the increase.

The following analysis of the decisionmaking process, which led to the OSD cutback, is based on our discussions with relevant officials and staff in the Guard's Recruiting and Retention Branch of the Personnel Division; the Guard's Comptroller Division; the Active Army's Program Analysis and Evaluation staff; and OSD's Accession Policy staff in the Office of the Assistant Secretary for Manpower, Reserve Affairs and Logistics. We also examined all relevant and available documents.

FINDING ONE: The Guard's inability to justify its request for additional recruiters with accurate information and analyses caused OSD to reduce the request substantially.

The standard procedure used by OSD's Accession Policy staff to determine the required size of a service's total recruiting force is based on its determination of the staffyear average of production recruiters required to achieve a given accession objective. Factored into its projection is data on programed increases in accessions for the year in question and data from the previous fiscal year on staff-year averages of both part-time and full-time recruiters and number of accessions achieved. Inadequate recordkeeping by the Guard, however, as well as a limited capability for analysis by its Recruiting and Retention Branch, hindered its ability to provide data to OSD on additional recruiters' impact on achieving the fiscal year 1980 accession objective.

In addition, the Recruiting and Retention Branch did not develop a written rationale for its request until more than 6 months after submitting it to the Guard's Comptroller Division for consideration for the Army program objective

memorandum. The rationale was faulty for a number of reasons. For example, it was based to a large extent on the analysis of accessions from the first 9 months of the fiscal year-data which was not available and could not be accurately projected when the request was originally submitted at the end of the first 4 months of the fiscal year. Also data on prior fiscal year accessions was extremely limited because the Guard did not authorize the full-time recruiting force until December 1977, and most of the personnel were not hired and trained until the summer of 1978.

FINDING TWO: The Guard considered few policy or program changes other than hiring additional production recruiters to meet the fiscal year 1981 programed accession objective.

The Guard had no standby policy adjustment option for quick implementation to meet the fiscal year 1981 accession objective. It considered developing only a couple of other policy options when it decided on the need for additional recruiters. One option—enlisting prior—service personnel at their previous grade without regard to unit vacancy—was discounted as not viable because of a potential negative impact on retaining current personnel. The second option—lowering test score eligibility standards for women—became partially effective in April 1979 and fully effective the following October. Regardless of how many additional options are implemented, however, Guard officials believe that their recruiting force still needs to be expanded.

In spite of a steady decline in annual accessions since fiscal year 1976, the Guard continued to program an increase in accessions for fiscal years 1981-85 to attempt to reach its mandated peacetime end-strength objective by fiscal year 1986. For the past several years, the Guard had reduced its accession goal for the upcoming fiscal year after issuing the program objective memorandum and sometimes also after submitting its budget to OSD. If the accession goal for fiscal year 1980 had been reduced earlier and if the Guard had used more up-to-date accession data, OSD would have been more lenient with the Guard's request. (OSD's analysis of recruiter productivity incorporates data on the accession goal for the fiscal year before the one being considered for the recruiter force.)

FINDING THREE: Reviews of the Guard's request by Guard and Active Army analysts and officials were either cursory or not done at all.

APPENDIX I

If the Guard had adequately reviewed its Recruiting and Retention Branch's request for 495 additional recruiters for fiscal year 1981, then the Guard's recruiting officials might have revised the request adequately enough to justify it. A number of "reviews" took place at different levels (the Guard's Comptroller Division and Program Budget Advisory Committee, and the Army Program Budget Committee). Not one of these reviews revealed the errors found by our own analysis. For example, the request for 495 recruiters was inconsistent with other information submitted for the Army program objective memorandum, reflecting a programed increase not of 495 recruiters (end-strength) in fiscal year 1981, but rather 416. Also, the same table used in the Army's memorandum, supporting the Guard's programed increases in the fiscal year 1981 recruiting force, reflects increases in both end-strength and staff-year average over the approved President's budget for fiscal years 1979-80.

The Comptroller Division staff person who reviewed the Guard's request told us that he did not question it, despite the lack of explanatory information. His analyses, he said, were based on such factors as validity of need, logic, costing methodology, and conformance to OSD's Consolidated Guidance. The request, in fact, did not comply with either the fiscal year 1978 or 1979 guidance which directed the services to maintain the existing size of their recruiting forces. (During the program objective memorandum cycle, services submit, as a standard practice, both compliance and non-compliance programs for review.)

The Program Analysis and Evaluation staff challenged the validity and reliability of the recruiter productivity rates used by the Guard in developing its request. The staff analysts, however, could not cite any analyses that the Guard should have developed to respond to the challenges. Moreover, although the staff acknowledged that it was never very satisfied with the Guard's data collection and analysis of recruiter productivity rates, the Active Army supported the request.

ACTIVE AIR FORCE CASE STUDY:

DECISIONMAKING PROCESS FOR RECRUITING MANAGEMENT

BACKGROUND

Throughout fiscal year 1979 the Active Air Force carried out a variety of policy initiatives to reduce a projected shortfall for the year. Special enlistment incentives included:

- --December 1, 1978: "base of choice" program. Implemented to attract applicants who might prefer to be assigned close to home or in a specific location.
- --January 1, 1979: E-3 grade upon enlistment for graduates of Junior Reserve Officers Training Corps and civil air patrol programs.
- --January 1, 1979: advancement to grade E-3 upon completion of basic military training for those people enlisting for a 6-year term.
- --February 1, 1979: advancement to grade E-2 upon completion of basic military training for those people enlisting in hard-to-fill skills.
- --March 1, 1979: guaranteed retraining opportunity for people enlisting for a 6-year term in hard-to-recruit skills with short training times, with retraining into another specialty after 36 months.
- --May 1, 1979: "country of choice" program. Comparable to "base of choice" program implemented in December 1978.

Other policy changes included rephasing 4,111 non-priorservice accessions from the January-May recruiting objective to the June-September time frame, simultaneously readjusting technical training requirements during the low period in the spring at the training base. A request to reprogram \$1.5 million for recruiting support and advertising was also developed in the spring but was denied by the Congress.

A major indicator of the projected shortfall was the steady decline in the delayed enlistment program. The Active Air Force had actually been meeting fiscal year recruiting objectives by drawing approximately 5,000 enlistees a year from this program. The large pool of over 20,000,

built up shortly after the All Volunteer Force began, had diminished to approximately 7,500 early in fiscal year 1979—a point at which current shortages could not be sufficiently backfilled. As a result, the Active Air Force's Recruiting Service began to concentrate on rebuilding the program while, at the same time, headquarters worked on a number of policy changes to reduce the shortfall from 8,500, as projected early in the fiscal year by the Commander of the Air Training Command, to approximately 2,500. The policy changes were successful: they achieved 98 percent of their fiscal year 1979 non-prior-service objective of 68,000, with a shortfall of only 1,384.

The following analysis of the decisionmaking process which led to the success of the policy changes is based on our discussions with people in the Active Air Force's Accessions Policy Branch in the Policy Division, Directorate of Personnel Plans, under the Deputy Chief of Staff for Manpower and Personnel. We also examined relevant documents.

FINDING ONE: The Active Air Force was able to project its fiscal year 1979 shortfall quickly and with accuracy, primarily because of its system for monitoring accession needs.

On August 1, 1978, the Active Air Force staff foresaw that it would not achieve its December recruiting objectives for non-prior-service male accessions. At that time, according to the Air Force's procurement management information system (which it calls "PROMIS"), contracts had been written for only 9.6 percent of the December objectives. By September 1, the percentage had increased to 23.3 percent, but the rest of the year was also beginning to look bad. By October 1, December's figure was up to 39.5 percent and then 57.2 percent by November 1. By the first of December, however, the percentage had not exceeded 71 percent. "PROMIS," which is part of the Air Force's accessions management system, showed these percentages for each remaining month in the fiscal year, compared to the same data for each year since 1974.

"PROMIS" also displayed on a daily basis--updated instantaneously, if necessary--production and projection reports for non-prior-service males and females, showing variables such as the daily production rate required by mid-month and the end of the month to meet the monthly programed recruiting objective, versus the actual daily net production rate (reservations minus cancellations) for the current month, for the past 5 days and for the past 30 days. This data was regularly reviewed by the Recruiting Service and

the Military Personnel Center and was passed on to the Deputy Chief of Staff for Manpower and Personnel, the Chief of Staff, and the Assistant Secretary for Manpower and Installations.

The Air Force Recruiting Service has this computerized production and projection information available for individual squadron and flight levels. Headquarters staff can request this detailed information from the computer, although it is not automatically provided at anything other than a national level to show trends.

FINDING TWO: Active Air Force staff had previously developed and analyzed a number of policy options to reduce an accession shortfall before the fiscal year shortfall became severe.

The fiscal year 1979 shortfall of 1,384 might have been significantly higher if Active Air Force staff had not developed a number of standby policy options to aid decreasing accessions. In July 1978 the Accessions Policy Branch held an "Initiatives Conference" with the Military Personnel Center and the Air Training Command (including the Recruiting Service) to identify methods to make recruiters more productive and policy options to increase accessions. The branch then worked with the Recruiting Service to develop the options and determine the funding and number of enlistments needed to implement the options.

Some of the options had been used in earlier years and were reinstituted. For example, the E-3 grade for a 6-year term had been used in 1973-74, when 20 percent of all enlistments were for 6 years. This option was developed as a major attraction for the guaranteed retraining package for persons enlisting as security police for the first 3 years. The Air Force staff analysis indicated that a maximum of 1,500 security police enlistments would result, comprising 20 percent of the personnel requirements for this skill. The analysis also showed that an additional 3,500 enlistments would be generated if the option were opened to other fields, at a cost of \$1.409 million.

Other options were considered and then dropped for various reasons. In one case, recruiters had proposed that an E-2 grade be given to new enlistees who could refer two other people (perhaps friends) for the delayed enlistment program. This incentive was based on one used by the Marine Corps. Air Force staff analysis indicated that the Air Force would have serious problems in managing and controlling this option, and it was not cost effective because 9,000 enlistments under such an option would cost \$2.859 million.

FINDING THREE: In developing policy options to reduce the projected fiscal year 1979 shortfall, the Active Air Force coordinated formally with the other components of the Air Force.

When the Air Force Deputy Chief of Staff for Manpower and Personnel received the final package of proposed enlistment incentives with implementing instructions for his approval on December 14, 1978, the package had already been formally reviewed by all relevant organizational units within the Air Force, including the Air National Guard and the Air Force Reserve. The Guard and Reserve have a reservist/guardsman on active duty serving as advisors to the Director of Personnel Plans under the Deputy Chief of Staff for Manpower and Personnel. Both officers reviewed the package of policy options and hand-carried it for review to the Air National Guard and the Office of the Chief of the Air Force Reserve. Included on the December 14, 1978, cover memorandum to the Deputy Chief of Staff are the concurrences of the Chief of the Manpower and Personnel Division, Air National Guard; and the Deputy Director of the Personnel Division, Air Force Reserve.

FINDING FOUR: The Active Air Force's proposed enlistment incentives were approved and implemented without delay.

At a briefing to the Air Training Commander on November 27, 1978, Recruiting Service officials stated that they would not achieve their December recruiting objective and the Air Force would be short as much as 8,500 for fiscal year 1979 if the current trend of contract booking rates were projected for the remainder of the year. The Recruiting Service proposed a rephasing of the flow of non-priorservice accessions from January-May to June-September 1979, providing funds which would allow three standby enlistment incentives to be implemented. By December 2, the Director of Personnel Plans had sent a memorandum to the Deputy Chief of Staff for Manpower and Personnel about this request, with a preliminary analysis and recommendations. The memorandum promised a final package on enlistment incentives by December 11. Handwritten on this memorandum is a note dated December 3 from the Deputy Chief of Staff to "try to hold firm on 11 Dec. date." This request is typical of the willingness and interest of the Active Air Force to expedite its decisionmaking process.

On December 18, less than I week after the final package was due and submitted, the Deputy Chief of Staff sent a

letter to the Commander of the Air Training Command to advise him of approval of the various enlistment initiatives. Specific details for implementing and tracking each incentive were forwarded through messages entered into the computer. On January 1, 1979, two of the enlistment initiatives were implemented along with the rephasing of accessions. Additional enlistment initiatives were implemented on February 1, March 1, and May 1, 1979.

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